

The minutes set forth are an unofficial copy of this month's board meeting minutes. For an official (signed) copy please contact the Authority.

IOWA FINANCE AUTHORITY BOARD MEETING MINUTES

**Hotel Fort Des Moines
March 3, 2004**

BOARD MEMBERS PRESENT

Vincent Lintz, Chair
Kay Anderson, Vice Chair
Nancy Evans, Treasurer
Steve Adams (via telephone)

Virginia Bordwell
Carmela Brown
Roger Caudron
Douglas Walter
Dick Wright

STAFF MEMBERS PRESENT

Michael Tramontina, Executive Director
Jennifer Amodeo, Secretary
Lori Beary, Community Development Finance Officer
Lisa Braunschweig, Single Family Marketing Specialist
Roger Brown, Director of HUD Programs, Section 8 Contract Administration
Mickey Carlson – Single Family Program Manager
Donna Davis, Deputy Director, Director of Housing Programs
Dennis Dietz, Director of Title Guaranty
Connie Dippel, Housing Compliance Specialist
Alyson Fleming, Administrative Assistant
Glenda Gaumer, Senior Housing Compliance Specialist
Judith Hartman, Single Family Marketing Specialist
Steven Harvey – Comptroller

Craig Johnson, Financial Analyst/Underwriter
Scott Johnson, Construction Analyst
Julie Lunn, Housing Compliance Specialist
Bret Mills, Chief Financial Officer
Tim Morlan, Underwriter
Sharon Murphy, Housing Compliance Specialist
Julie Noland – Director of Administrative Services
Loyd Ogle, Director of Policy and Governmental Affairs
Nancy Peterson, Housing Compliance Specialist
Karen Rasmussen, Single Family Secretary
Tracy Scebold, Housing Allocation Manager
James Smith, General Counsel
Tim Waddell, Tax Credit Manager
Nancy Wallis, Administrative Assistant
Vicky Winter, Legal Secretary

OTHERS PRESENT

Sarabeth Anderson – Habitat for Humanity
William Anderson – W.A. Architecture
Danyelle Boekholder – Hubbell Realty
Kristi Boyce – Wells Fargo Bank, N.A.
Bob Burns – Burns & Burns, L.C.
Jay Byers – Congressman Boswell's Office

Al Collett - IDED
Jim Conlin – Conlin Properties
John Coons – Cherry Lane Apartments
Keith Denner – Hubbell Tower
Mary Ann Dennis – Johnson County Housing Trust Fund

Debra Carr – Institute for Social and Economic Development

Debbie Fisher – Newbury Development
Scott Fitzpatrick – National Equity Fund
Robin Ghormley – Ingleside Hills
Chris Greenfield – Des Moines Downtown Community Alliance
Marty Gross – Merrill Lynch
Ralph Gross – Merrill Lynch
David Grossklaus – Dorsey & Whitney
Jim Hubbell – Hubbell Realty
Nicole Jones – State Treasurer’s Office
Janet Kopecky – Citizens for Community Improvement (CCI)
Doug LaBounty – Community Housing Initiative
Frank Levy – Newbury Development Company
Kerty Levy – Des Moines Downtown Community Alliance
Rollie Lobsinger – MidAmerica Housing Partnership (MAHP)
Sheila Lumley – Polk County Housing Trust Fund
Jean Minahan – King Irving Neighborhood Association

Joni DeVries – Wells Fargo Bank, NA
Charlie Dunn – Venter Spooner, Inc

Renie Neuberger – Iowa Equity Fund
Jackie Nickolaus – City of Des Moines
Steve Niebuhr – Hubbell Realty
Joe O’Hern – Fannie Mae Iowa Partnership Office
Charles Palmer – Iowa Institute for Social & Economic Development (ISED)
Bruce Ray – Department of Housing & Urban Development
Bill Reinke – HOUSES, Inc.
Brad Rippey – W.A. Architecture
Regan Roberts – Hatch Development Group
Kristin Saddoris – Conlin Properties
Davis Sanders – RDG Architectural
Rick Tollackson – Hubbell Realty
Dan Venter – Venter Spooner, Inc.
Terry Vestal – IDED
Jeff Voorhees – National Consulting Alliance
Greg Wattier – GE Wattier Architecture
Sandi Wattier – GE Wattier Architecture
Sharon Zanders-Ackiss – Citizens for Community Improvement (CCI)

CALL TO ORDER

Chair Lintz called to order the March 3, 2004 meeting of the Iowa Finance Authority (IFA) Board of Directors at 10:55 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Anderson, Evans, Adams, Bordwell, Brown, Caudron, Walter and Wright.

REVIEW AND APPROVAL OF MINUTES

February 4, 2004 - Board Meeting

Chair Lintz introduced the minutes of the February 4, 2004 meeting of the Iowa Finance Authority Board of Directors.

MOTION: On a motion by Ms. Evans and a second by Ms. Anderson, the Board unanimously approved the minutes of the February 4, 2004 Board of Directors meeting.

MANAGEMENT REPORT

Summary & Overview

Mr. Tramontina welcomed those present to the meeting. He said Mr. Dennis Dietz has been activated in the National Guard and his final orders are in place. Mr. Tramontina stated Mr. Loyd Ogle will assume the duties of acting director of the Title Guaranty Division. He said Ms. Monica Fischer continues on loan to the Governor’s office, but is expected back in time for the next Board meeting in

April. Mr. Tramontina reported the Homeless Coordinator position had been filled with the selection of Mr. Lyle Schwery, who has been the Homeless Coordinator for the City of Des Moines.

MAHP Award

Mr. Tramontina introduced Mr. Joe O'Hern and Mr. Rollie Lobsinger. Mr. O'Hern, with the Fannie Mae Iowa Partnership Office, announced that a low income housing tax credit project in Cedar Rapids, Quarton Place, received an award in January for excellence in public private partnerships. He stated Quarton Place was one of four projects in the nation recognized by the US Conference of Mayors and the only housing project recognized.

Mr. Rollie Lobsinger of MidAmerican Housing Partnership (MAHP) reported Quarton Place is currently at 100 percent occupancy. He stated there is a tenant waiting list for the project. Mr. Lobsinger shared a letter with the Board written by a current tenant, expressing their appreciation for the location, amenities and access to services available at the project.

Mr. O'Hern presented a plaque to the Board acknowledging the support and participation of the Authority for the project from the US Conference of Mayors, the Fannie Mae Iowa Partnership Office, the City of Cedar Rapids, and MidAmerican Housing Partnership.

IDA Grant Recipient – ISED

Mr. Tramontina introduced Ms. Debra Carr and Mr. Chuck Palmer with the Institute for Social and Economic Development (ISED). Mr. Palmer, president of the ISED, thanked the Board for the award of funds for the Individual Development Account (IDA) grant.

Ms. Carr gave a brief explanation of the mission of ISED and the services available for low to moderate income individuals. She explained the focus of the program is to promote individual self-sufficiency. Ms. Carr said in the current initiative monies are leveraged - for each dollar a participant deposits in the program, fifty cents of Federal money and fifty cents of the Authority's grant funds match that participant dollar. She stated that the focus of many participants in the program is home ownership.

LEGAL / REGULATORY

Mr. James Smith stated he had no report.

FINANCE AND ACCOUNTING

Finance Update

Mr. Bret Mills referred to the financial documents included in the Board packets. He stated the Capital Adequacy Report will be completed in time for the May Board meeting with a formal presentation at that time. Mr. Mills announced the RFP for Auditor was completed and KPMG was retained.

STATE REVOLVING FUND (SRF) PROGRAM AND COMMUNITY / ECONOMIC DEVELOPMENT

Ms. Lori Beary referred to the handouts included in the Board packets. She stated the Authority has joined with the Department of Natural Resources (DNR) to improve the SRF loan process. Ms. Beary distributed a recent edition of Homestyle Magazine featuring an Oskaloosa Main Street Loan project.

HOUSING PROGRAMS

Homeownership Programs

Single Family Status, Delinquency and Activity Reports

Ms. Donna Davis referred to the monthly activities report and charts included in the Board packets. She stated the year end summaries for the Single Family Program were included in the Board packets.

2003 Single Family Report

Ms. Mickey Carlson referred to the handout included in the Board packets.

Ms. Carlson introduced and thanked the Single Family staff for their work; Ms. Lisa Braunschweig, Ms. Karen Rasmussen, and Ms. Judy Hartman.

Resolution Re: Single Family 2004 Income and Purchase Price Limits.

Ms. Carlson announced the income figures for use in 2004 by HUD, which are used to calculate the income limits for the FirstHome Program. She also announced the proposed new purchase price limits, which were revised due to a recently released IRS Revenue Procedure. Ms. Carlson stated the purchase price figures had previously been in use since 1994 in many counties. She said under the new income limits, 80% of the statewide median is now \$44,640 and the purchase price limits for existing homes and new construction in non-targeted areas is now \$189,000.

MOTION: Mr. Walter made a motion to approve the Resolution Re: Single Family 2004 Income and Purchase Price Limits. On a second by Mr. Wright, the Board unanimously approved the Resolution Re: Single Family 2004 Income and Purchase Price Limits.

Chair Lintz inquired as to the amount of the increase in the income and purchase price limits. Ms. Carlson stated the amounts have increased slightly in the larger urban areas of the state, however, in rural areas the increase is much greater.

Mr. Caudron thanked Ms. Carlson and the Single Family staff for all of their work.

Mr. Tramontina stated the Governor will hold a press conference on Monday, March 8, 2004 to announce the new income and purchase price limits. He said the top lenders in the FirstHome Program will be recognized with a certificate from the Governor's office.

Low Income Housing Tax Credit (LIHTC) Program

Allocation

Low Income Housing Tax Credit 2004 Awards

Ms. Davis began by asking Mr. Terry Vestal and Mr. Al Collet, of the Iowa Department of Economic Development (IDED), to join Mr. Tim Waddell and her at the presentation table.

Mr. Waddell referred to the handouts included in the Board packets.

Mr. Waddell stated there are seventeen full and part-time people employed at the Authority and IDIED who work with tax credits. He acknowledged those persons and thanked them for their work on the review process.

Mr. Waddell summarized the projects proposed by staff for funding as follows: 13 projects in metropolitan areas, 7 projects in non-metropolitan areas, 3 service enriched housing, 7 non-profits, 3 affordable assisted living, 9 preservation or adaptive reuse, and 12 of the 20 proposed projects combine funding from HOME and LIHTC.

Mr. Waddell briefly described the process involved in determining the awards. He also briefly described each project as Ms. Alyson Fleming showed a PowerPoint slide presentation for each property.

Mr. Waddell referred to the re-commitment of tax credits to the Vine Street Lofts Project, which returned previously awarded tax credits due to a catastrophic fire causing the destruction of the partially completed project in 2002.

Board and staff held a thorough discussion regarding compliance issues, development costs, and market needs.

MOTION: Mr. Adams made a motion to approve the allocation of the 2004 tax credits for the developments and in the amount set forth in the 2004 Calendar Year Rank Master Sheet now before the Board all as described and recommended by Authority staff. On a second by Ms. Anderson, the Board unanimously approved the 2004 Low-Income Housing Tax Credit awards as recommended by staff.

Compliance

Ms. Davis referred to the written summary included in the Board packets.

Multifamily Lending Activity

Resolution Re: Resolution RE: Tearman Towers a/k/a Courtland Apartments (Davenport)

Ms. Davis referred to the summary term sheet included in the Board packets. She stated the Board approved a pre-development loan in the amount of \$6,000 to fund a market study at the February 4, 2004 meeting. Ms. Davis said in the event the market study shows 35 condominium units can be absorbed within a reasonable time frame, the Authority will loan a total amount of \$1,250,000 to cover the acquisition, rehab, reserves, and fees for the transaction. She stated the loan will then be paid off as the condos are sold over a two year period. Ms. Davis clarified John Lewis Coffee Shop is not proposing ownership of the project, but is working closely with Community Housing Initiatives (CHI).

Mr. Tim Morlan gave a brief explanation of the proposed terms of acquisition and ownership of the project.

Chair Lintz inquired as to the average purchase price of the units.

Mr. Morlan stated the one bedroom units will be sold for \$41,000 and the two bedrooms units will be sold for \$51,000.

Mr. Caudron inquired as to the scenario of the units not selling within the two year period and whether the loan term could be extended or would the project require refinancing.

Ms. Davis stated she was sure the Authority would have the option of calling the loan at that time, and asking the project to seek refinancing elsewhere, or the loan term could be extended by the Authority allowing the project additional time to sell the remaining units.

Ms. Bordwell inquired as to the importance of the market study.

Ms. Davis stated the market study is the key. She said if the market study is not completed by March 19, 2004, the Authority is not proposing to complete the loan transaction. Ms. Davis emphasized the importance of a positive market study, which must indicate there is a sufficient market for condominium units in the proposed price range.

Mr. Wright inquired as to a relationship between this proposed project and the Cobblestone Terrace project in Davenport.

Ms. Davis explained there is no relationship between the two projects, and she explained the involvement of John Lewis Coffee Shop. She said the decision was made to bring in a more experienced partner to facilitate the project. Ms. Davis stated the City of Davenport has already demonstrated support for the project by providing city HOME loans in the past.

MOTION: Ms. Bordwell made a motion to approve the Resolution Re: Tearman Towers (a/k/a Courtland Apartments) in Davenport to fund a first mortgage loan to the Owner (or an entity controlled by the Owner), in an amount not to exceed \$1,300,000 with the maturity not exceeding two years, such loan to be secured by a first mortgage on Tearman Towers. On a second by Ms. Evans, the Board unanimously approved the Resolution Re: Tearman Towers (a/k/a Courtland Apartments) in Davenport subject to the terms and conditions set forth in the Resolution.

State Housing Trust Fund 2004 Awards

Ms. Davis introduced the staff recommendations on the applications submitted for the 2004 State Housing Trust Fund Awards. She referred to the resolution and written recommendations included in the Board packets.

Mr. Wright inquired as to the reduction in funds available for the State Housing Trust Fund Awards.

Ms. Davis stated the Authority is not proposing to obligate the amount the State Legislature has not yet released, but will award the amounts previously pledged by the Authority and IDIED is proposing to include remaining funds under the LHAP Program.

Mr. Wright inquired as to the criteria used in scoring the projects.

Ms. Davis gave a brief overview of the criteria used in scoring the applications submitted. She stated herself, Tracey Scebold, Sharon Murphy, and Loyd Ogle, participated in the scoring process. Ms. Davis explained the projects were awarded based on the score each application received.

A general discussion followed by the Board and staff on the applications and scoring process.

Mr. Caudron inquired as to whether funds exist for an allocation from the General Assembly for the next year.

Ms. Davis stated approximately \$800,000 has been allocated for the State Housing Trust Fund in 2005.

She stated with the Board's approval, the reservation letters sent to each project will state the certification for each project is conditional for this year only. Ms. Davis explained that once a project is certified, that project would submit a revision to their housing assistance plan when future applications are submitted.

Ms. Davis stated she would like to thank Ms. Murphy and Mr. Scebold for all of their work in reviewing the applications.

MOTION: Mr. Caudron made a motion the Board approve the award of funds under the State Housing Trust Fund 2004 Allocation Plan and the award of funds under the Housing Assistance Fund local housing trust fund category to the entities and in the amounts set forth in the memorandum and accompanying materials from Ms. Donna Davis now before the Board, all as described and recommended by Authority staff. On a second by Mr. Wright the Board unanimously approved the award of funds under the State Housing Trust Fund 2004 Allocation Plan and the award of funds under the Housing Assistance Fund local housing trust fund category to the entities and in the amounts set forth in the memorandum.

SECTION 8 CONTRACT ADMINISTRATION

Ms. Davis referred to the written summary included in the Board packets.

GRANTS

Ms. Davis referred to the written summary included in the Board packets.

HOPWA (HUD Grant called Housing Opportunities for Persons with HIV/Aids)

Ms. Davis referred to the written summary included in the Board packets.

TITLE GUARANTY DIVISION (TGD)

Mr. Dennis Dietz reported that the gross premiums for February were \$570,000, bringing the fiscal year-to-date total to \$5,000,000. He referred to the written report in the Board packets for further information regarding activities relating to TGD.

Mr. Dietz announced the Title Guaranty Board of Directors approved a transfer of \$1,600,000 to the Authority's housing programs.

MOTION: On a motion by Ms. Anderson and a second by Mr. Caudron, the Board unanimously accepted the transfer of \$1,600,000 from the Title Guaranty Division to the Authority's housing programs.

POLICY / LEGISLATION

Federal and State Legislative Update

Mr. Loyd Ogle referred to the Federal Legislative Update chart distributed to the Board and referred to a list of proposed State Legislation. He updated the Board on the federal and state legislation that could affect IFA.

Shelter Weatherization Program Status Report

Mr. Ogle referred to the chart included in the Board packets summarizing the funds which have been allocated to the participating shelters and the amounts remaining from the approved weatherization work.

Mr. Wright inquired as to the discrepancy in amounts awarded to each shelter.

Mr. Ogle explained the amounts awarded were based on each individual shelter's need for efficiency work based on the results of each shelter's energy audit.

COMMUNICATIONS

In the absence of Ms. Monica Fischer, Mr. Tramontina stated he had no report.

MISCELLANEOUS ITEMS

Receive Comments from General Public

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

Mr. Bob Burns spoke to the Board and requested copies of several documents made available to the public at the meeting.

Next Month

The next regular meeting will be held at 10:45 a.m. on April 7, 2004 at the Hotel Fort Des Moines.

ADJOURNMENT

There being no further business, on a motion by Mr. Caudron and a second by Mr. Walter, the March meeting of the Iowa Finance Authority Board of Directors adjourned at 12:55 p.m.

Dated this 7th day of April 2004.

Respectfully submitted:

Approved as to form:

Michael L. Tramontina
Executive Director
Iowa Finance Authority

Vincent C. Lintz, Chair
Iowa Finance Authority